

OFFICE OF THE DD/I

Executive Registry

75-10512/1

20 January 1976

NOTE FOR THE DIRECTOR

You recently queried us regarding General Keegan's strong remarks regarding the adequacy and reliability of our estimates of Soviet military expenditures in the ACSI, USAF, FY '75 Annual Report.

The differences raised by General Keegan are not new and given the many examinations of what we are doing in this field--including Arthur Laffer's recent look in behalf of Secretary Rumsfeld--General Keegan's views don't require any additional airing.

You might want to note a couple of things for the record. We have over the past couple of years worked with Air Force analysts on some of the points raised by General Keegan and have found on those specific points that either we are very close to the Air Force numbers or indeed are higher. In any event, we seem to have a pretty good dialogue going with the Air Force analysts.

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*Base
air force*

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SECRET

Air Force

Page Two

One rather sweeping statement made by General Keegan which requires correction is that DIA joins Air Force in challenging the CIA estimates. This is true only if one reads DIA to mean [] the analysts in DIA really don't have that many problems with what we are doing and, as you know, [] views have long been not so much that we are doing it wrong but that it either can't or shouldn't be done at all.

[]
Paul V. Walsh
ADDI

cc: DD/OSR
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DCI/DDCI
Routing Slip

Executive Registry

75-10512

TO:

		ACTION	INFO.			ACTION	INFO.
1	DCI			11	LC		
2	DDCI			12	IG		
3	S/MC			13	Compt		
4	DDS&T			14	Asst/DCI		
5	DDI	✓		15	AO/DCI		
6	DDAAS			16	Ex/Sec		
7	DDO			17			
8	D/DCI/IC		✓	18			
9	D/DCI/NIO		✓	19			
10	GC			20			

SUSPENSE

Date

Remarks: ASC Intel USAF (Keegan)'s
FY 75 Annual Report takes rather
strong issue with your (CIA)
Soviet defense casting —
Is this a well-established
difference or does it
warrant some ventilation?

DCI/DDCI

12/30/75

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